

Via Efile and Overnight Delivery

February 15, 2011

Ms. Terry J. Romine
Executive Secretary
Maryland Public Service Commission
William Donald Schaeffer Tower
6 St. Paul Street
Baltimore, MD 21202

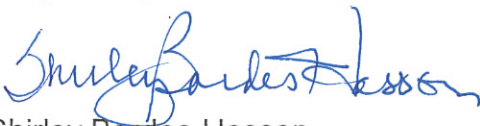
Mail Log No. _____

Re: Columbia Gas of Maryland, Inc. – Annual Supplier Diversity Plan - 2011

Dear Ms. Romine,

Columbia Gas of Maryland, Inc. submits herewith for filing with the Commission an original and seventeen (17) copies of its Annual Supplier Diversity Plan for 2011.

Respectfully submitted,



Shirley Bardes Hasson
Manager, Regulatory Policy

Enclosure

SUPPLIER DIVERSITY 2011 ANNUAL PLAN

OF

COLUMBIA GAS OF MARYLAND, INC.

**121 CHAMPION WAY, SUITE 100,
CANONSBURG, PENNSYLVANIA 15317**

TO THE

PUBLIC SERVICE COMMISSION OF MARYLAND

**Annual Plan for Calendar Year 2011
Columbia Gas of Maryland, Inc.**

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2. Goals

3. Program Activities
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Annual Plan for Calendar Year 2011 Columbia Gas of Maryland, Inc.

1. INTRODUCTION

The following is hereby submitted as an "Annual Plan" pursuant to the State of Maryland Public Services Commission Memorandum of Understanding (MOU), signed on January 26, 2010. This plan is submitted for the consideration of the Maryland Public Service Commission by Columbia Gas of Maryland, Inc. ("Columbia").

This plan will be in effect from the period of January 1, 2011 through December 31, 2011.

KEY OBJECTIVES

- Maintain a supplier diversity program that has a focused vision, plan, and effective execution
- Proactively align opportunities with suppliers
- Develop tools and processes that connect procurement with diverse suppliers
- Develop performance measures for supplier diversity activities
- Collaborate with public/private advocacy organizations and utility forums
- Communication plan to increase internal and external awareness

2. GOALS

a. Short Term (1 year)

Diverse Spend Non-Gas 1.5%

Columbia is focused on developing performance measures throughout 2011 and base lining spend. Columbia will utilize diversity business classifications for improved spend visibility in procurement of materials and services.

Columbia seeks to learn and leverage best practices from its fellow Maryland utilities to identify key diverse suppliers used in the utility industry to strengthen its supplier network. When appropriate, Columbia will identify commodity categories where supplier consolidation has occurred, and link diverse suppliers into the sourcing pipeline for subcontractor relationships with its strategic primary suppliers.

This information will provide better insight to develop short-term, mid-term, and long-term goals aligned with business units, supply chain spend, and non-supply chain spend.

3. PROGRAM ACTIVITIES

a. Internal Program Activities

Columbia is a member of the NiSource family of companies. NiSource companies, including Columbia, are committed to the promotion of diversity and, beginning in 2010, have launched Inclusion and Diversity programs that are designed to raise employee awareness of the value of an inclusive and diverse internal workforce. Columbia submits that an internal workforce that is increasingly inclusive and diverse will facilitate its efforts to shape and maintain a more diverse supplier network.

Annual Plan for Calendar Year 2011 Columbia Gas of Maryland, Inc.

In addition to its continued promotion of inclusion and diversity within its workforce, Columbia will engage in the following internal program activities:

- Enhance internal web site to include supplier diversity page and to include a management-sponsored supplier diversity statement.
 - Continue to expand the internal Supplier Directory database with new suppliers, identify diversity status, NAICS Code identification, and secure Third Party Certification as outlined in MOU.
 - Train procurement resources on how to access and leverage existing diversity supplier information.
 - Review and identify commodity groups reflecting the materials and services utilized by Columbia Gas of Maryland, Inc. for upcoming opportunities.
 - Lead efforts with procurement to identify and categorize suppliers that comprise 80% of direct, sourceable spend.
 - Capture NAICS Codes and diverse business classifications of suppliers to complete the Annual Report as outlined in the MOU.
 - Develop process to track bid opportunities for inclusion and exception data capture.
- b. External Program Activities
- Support efforts with affinity groups and advocacy organizations that support diverse supplier development.
 - Highlight program successes and communicate areas of opportunity
 - Identify existing diverse suppliers that have not obtained Third Party Certification and encourage suppliers to obtain certification through one of the Third Party Certifying Agents as outlined in the MOU.
 - Provide company exposure at outreach events targeting diverse suppliers that support utility industry or service territory.
 - Educate suppliers on procurement processes and requirements to assist in the progress of doing business with the utility industry.
- c. Recruiting Diverse Suppliers
- Coordinate with other utilities to hold a utility specific outreach event to connect procurement with diverse suppliers.
 - Encourage utilities to share diverse supplier lists to increase the pool of diverse suppliers with utility experience.
 - Identify diverse suppliers via industry referrals, affinity group databases, and outreach events.
 - Enhance external web site to include a registration process to capture and filter potential diverse suppliers into a database.
 - Connect procurement to diverse suppliers through outreach events and a searchable database.
- d. Subcontracting through Prime Contractors
- Identify prime contractors with existing subcontracting programs.
 - Develop process of obtaining, verifying, and reporting subcontracting spend.
 - Adopt subcontracting language to be included in appropriate procurement documents.
 - Support alliances with prime contractors and diverse suppliers that provide added value.

**Annual Plan for Calendar Year 2011
Columbia Gas of Maryland, Inc.**

4. MARYLAND UTILITY FORUM ON SUPPLIER DIVERSITY

The forum is designed to leverage the collaborative efforts of the Utilities that have signed the MOU and work to advance opportunities for diverse suppliers. Columbia Gas of Maryland will be represented at forum meetings and participate in data requests and activities to further enhance the supplier diversity initiative.

5. CONCLUSION

Columbia Gas of Maryland, Inc. submits the "Annual Plan" as outlined in the MOU in an effort to increase and improve the overall mix of diverse businesses that contract and subcontract for materials and services. Columbia encourages its contractors, subcontractors, and suppliers to abide by the spirit and intent of the policy and support its drive toward long-term performance and position as a valued community partner.